**Quick, Jaime**

**Subject:** FW: Corner Item: JUST THE FACTS: Inspector General's Report on Critical Infrastructure

# Just The Facts

July 13, 2006

### INSPECTOR GENERAL'S REPORT ON CRITICAL INFRASTRUCTURE

**A NEW YORK TIMES' STORY STATES THAT DHS CONSIDERS "PETTING ZOOS" AND "FLEA MARKETS" AS CONSIDERABLE TARGETS FOR TERRORISTS:** "It reads like a tally of terrorist targets that a child might have written: Old MacDonald's Petting Zoo, the Amish Country Popcorn factory, the Mule Day Parade, the Sweetwater Flea Market and an unspecified 'Beach at End of a Street.' But the inspector general of the Department of Homeland Security, in a report released Tuesday, found that the list was not child's play: all these 'unusual or out-of-place' sites 'whose criticality is not readily apparent' are inexplicably included in the federal antiterrorism database." (Eric Lipton, "US Terror Targets: Petting Zoo and Flea Market", *New York Times*, 07/12/06)

> **THE DATABASE IN QUESTION *IS NOT* A LIST OF ASSETS CONSIDERED TO BE CRITICAL, DESPITE THE ASSERTIONS OF THE INSPECTOR GENERAL AND THE NEW YORK TIMES:**
>
> - The National Asset Database Simply Lists Any And All National Assets, And Is Only One Mechanism That DHS Uses To Identify Infrastructure Nationwide: The NADB is a data repository that warehouses data *concerning any and all of the facilities, assets, or systems that make up the nation's infrastructure.* **It contains descriptive information, but implies no judgments concerning the relative criticality of those facilities, assets, or systems.**
>
> - The National Asset Database *IS A STARTING POINT* From Which DHS Then Determines Criticality Of Assets And Structures: The first step in creating a list of critical infrastructure is to gather as much information as possible to create a "phonebook" or database. DHS is an all-hazards department and must prepare for any possible threat to the nation --- no matter how remote. DHS receives info from various federal agencies, state and local governments, voluntary private sector submissions, commercial demographics products, external data sources, and subject matter experts and places them in this database. **DHS then sifts through the submitted data in various analyses to determine risk and final placement on the "target list". This vital part of the process was clearly missed by the Inspector General and the New York Times.**

**THE INSPECTOR GENERAL IMPLIES THAT DHS CONSIDERS INDIANA TO HAVE A GREATER NUMBER OF POTENTIAL TERRORIST TARGETS THAN NEW YORK OR CALIFORNIA:** "The National Asset Database, as it is known, is so flawed, the inspector general

found, that as of January, Indiana, with 8,591 potential terrorist targets, had 50 percent more listed sites than New York (5,687) and more than twice as many as California (3,212), ranking the state the most target-rich place in the nation." (Eric Lipton, "US Terror Targets: Petting Zoo and Flea Market", *New York Times*, 07/12/06)

**THE NATIONAL ASSET DATABASE IS ONLY ONE OF MANY MECHANISMS USED TO IDENTIFY AND DETERMINE ASSETS AND INFRASTRUCTURE.  THE LISTS USED TO DETERMINE GRANT FUNDING, FOR EXAMPLE, WERE FAR MORE ROBUST :**

- For Example, 22% More Assets Were Considered For *New York City's Grants Alone* Than Are Listed In The NADB For The *Entire State Of New York*:  The National Asset Database is not the only source of information for DHS.  While the entire State of New York has 5,687 assets listed in the database in question, 6,964 assets were considered for grant funding in the New York City urban area alone.

**THE INSPECTOR GENERAL ALSO IMPLIES THAT THE NATIONAL ASSET DATABASE RESULTED IN GREATER FUNDS FOR LOWER RISK AREAS, AND FEWER FUNDS FOR HIGHER RISK AREAS:** "The database is used by the Homeland Security Department to help divvy up the hundreds of millions of dollars in antiterrorism grants each year, including the program announced in May that cut money to New York City and Washington by 40 percent, while significantly increasing spending for cities including Louisville, Ky., and Omaha." (Eric Lipton, "US Terror Targets: Petting Zoo and Flea Market", *New York Times*, 07/12/06)

**DESPITE THESE CLAIMS, THERE IS NO DIRECT CONNECTION BETWEEN THIS DATABASE AND GRANT AWARDS.  THE ACTUAL GRANTS TELL A DIFFERENT STORY, AS THE DATABASE WAS ONLY ONE OF SEVERAL CRITERIA CONSIDERED:**

- For Example, 50% Fewer Assets Are Listed For The State Of New York Than The State of Indiana, The Databases' Largest Supplier.  Yet New York Received Almost 30 Times The UASI Funding:

| State | Indiana | New York | Difference |
|---|---|---|---|
| **Assets Listed in the NADB** | 8,591 | 5,687 | 50% More Assets Listed for IN |
| **FY06 UASI Funds** | $4,370,000 | $128,160,000 | 2,800% More Funding for NY |

**FY06 UASI Awards**
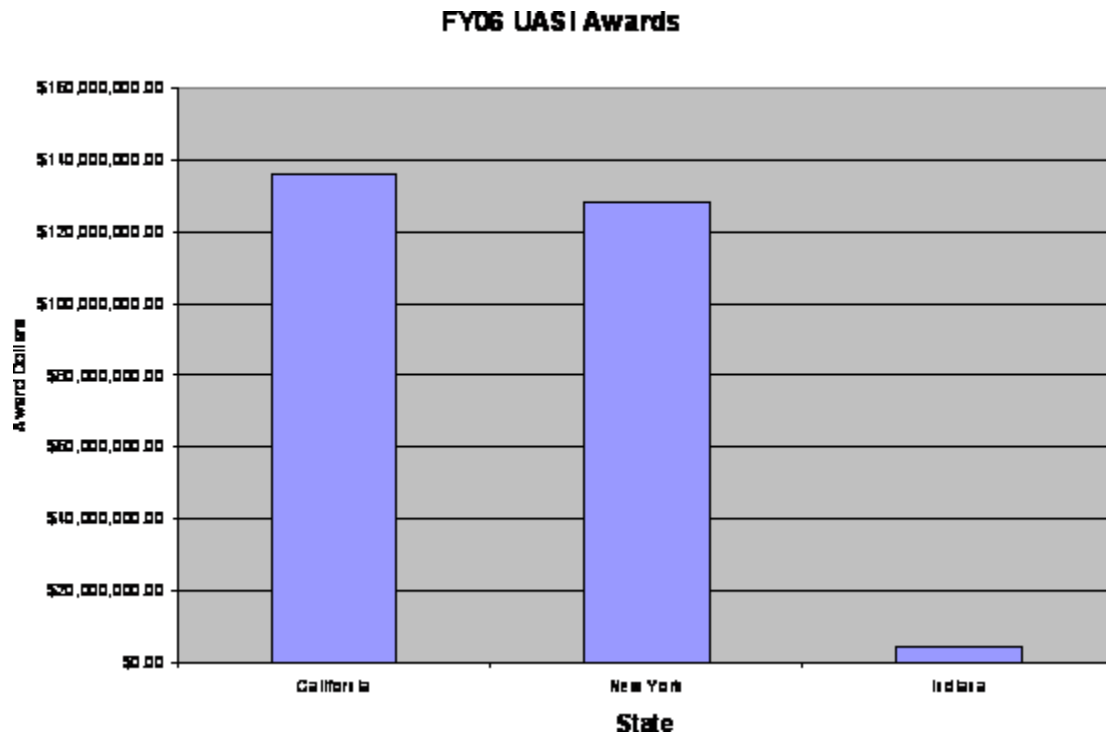


**AND THE NATION'S HIGHEST RISK AREAS RECEIVED THE LION'S SHARE OF SECURITY GRANT FUNDING THIS YEAR:**

- Areas Deemed to Have High Risk Infrastructure Received the Greatest Amount of Security Grant Funding: The states of California and New York received 19% and 18% percent of FY06 UASI funds respectively. The state of Indiana, which has the largest number of assets in the NADB, received 0.61% of these funds.

FY 2006 UASI Grant Program:
Five Major Urban Areas receive over 45% of FY 2006 UASI Funding